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Board of Funeral Services Conseil des services funéraires

ANNUAL REPORT

Year Ended October 31, 1995

BOARD MEMBERSHIP

The Board of Funeral Services was established by the *Funeral Services Act* in 1976 to succeed the Board of Administration which had a history dating back to 1914.

The current Act, the *Funeral Directors and Establishments Act*, requires that the Board shall be composed of eleven members, five funeral directors, five public persons and one person who is either a funeral director or a public member. All members are appointed by the Lieutenant-Governor-in-Council.

MEMBERS OF THE BOARD OF FUNERAL SERVICES - 1995

Chair	Doug Porter	Toronto
Vice-Chair	Alex Munroe	Toronto
Executive Member	Stewart Smith *	Toronto
	Chuck Anderson	Glen Morris
	Allan Cole	Toronto
	Pearl Davie *	Hamilton
	Ruth Kaufman*	Guelph
	Ted Liddycoat	Kitchener
	Gordon Monk	Minden
	Stephen Speisman *	Thornhill
	Karen Trace *	Scarborough

* Denotes Public Member

BOARD STAFF - 1995

Registrar	Alison M. Reynolds
Administrative Inspector	Sheila M. Nunn
Executive Secretary	Susan J. Beck
Inspectors	Randall N. Balon Jennifer A. Mumby Joseph G. Richer
Secretary	Rose-Hélène J. Trenholm

LEGAL COUNSEL

Donald Posluns	Porter, Posluns & Harris
Richard Steinecke	Barristers & Solicitors

AUDITOR

John Mayhue	Harris & Wright
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BOARD OF FUNERAL SERVICES CONSEIL DES SERVICES FUNERAIRES

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Toronto, Ontario M5G 2C8

Office of the Registrar
Bureau du registraire

CADON
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February 26, 1997

Miss B. M. Lee
Head, Serials Department
University of Toronto Library
Serials Department
Toronto ON M5S 1A5

Dear Miss Lee:

Re: Board of Funeral Services 1995 Annual Report

As per your request, please find enclosed 1 copy of the Annual Report of the Board of Funeral Services for the year ended October 31, 1995 as well as the financial statements for the same period.

Please do not hesitate to contact our office should you have any questions.

Yours truly,

Rose-Hélène Trenholm
Secretary

Encl(s).

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BOARD OF FUNERAL SERVICES CONSEIL DES SERVICES FUNÉRAIRES

MISSION STATEMENT

The Board of Funeral Services shall, in accordance with the *Funeral Directors and Establishments Act*, regulate the provision of funeral services and transfer services in order that the public interest be served.

Shared Goals and Values

The Board of Funeral Services shall serve the public interest in the provision of funeral and transfer services by:

- establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in Ontario in accordance with the *Funeral Directors and Establishments Act*;
- consulting with all stakeholders in order to ensure that their needs and interest are identified;
- developing and implementing educational programs for funeral service and transfer service providers and providing to consumers information about their rights and responsibilities;
- developing, implementing, and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board;
- ensuring that the policies and practices of the Board reasonably reflect the interests of the residents of Ontario;
- developing recommendations to government on legislation, regulations, policies and practices.

May 5, 1994

FUNCTIONS OF THE BOARD OF FUNERAL SERVICES

The *Funeral Directors and Establishments Act* establishes a self-governing body to administer the Act and regulate the practices of funeral directors, funeral service establishments and transfer services in accordance with the Act and the Regulations in order that the public interest may be served and protected.

The Board is responsible for the review of the operation of this Act and the Regulations and for making recommendations to the Minister of Consumer and Commercial Relations thereon. The Board approves or sets courses of study and examinations for the qualification of applicants for licensure.

In addition, the Board's objects are:

- To establish, maintain and develop standards of knowledge and skill among funeral directors and persons who operate funeral establishments and transfer services,
- To establish, maintain and develop standards of qualification and standards of practice for funeral directors and persons who operate funeral establishments and transfer services,
- To establish, maintain and develop standards of professional ethics among funeral directors and persons who operate funeral establishments and transfer services,
- To administer the Compensation Fund,
- To oversee and inspect trust accounts that funeral establishments and transfer services are required by law to establish or maintain,
- To mediate complaints between consumers and licensees, and
- To establish and develop standards for funeral establishments.

The *Funeral Directors and Establishments Act* establishes five standing committees - Executive, Licencing, Complaints, Discipline and Compensation Fund Committee.



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REPORT OF THE CHAIRMAN

DOUGLAS R. PORTER

As Chairman of the Board of Funeral Services, I am pleased to submit my annual report on the accomplishments of the Board over the past 12 months. Mainly due to the interest and input of the members and staff, I feel we can be proud of the strides we have made this year in establishing a more effective and efficient working plan for not only the Board but its stakeholders.

Allan Cole, a professional member of the Board, completed his term in October of 1995. He was replaced by a public appointee, Dr. Harold Wilson, from Belleville. As well, Mrs. Ruth Kaufman was appointed during the year as a public member from Guelph.

In February, the Board received the decision in its appeal to the Ontario Court of Justice, General Division, requesting that Mr. Robert Blondell be ordered to stop providing funeral services other than through a licenced funeral establishment.

The Board was pleased with the decision which compels funeral consultants in the province to offer services only through licenced funeral establishments.

As a part of the Board's long range planning initiative, each Committee of the Board was asked to develop a policy and procedures manual. Following approval by the full Board, the manuals will ensure continuity as Board composition changes.

This year, a declaration concerning criminal records was added to the annual application for certification. The change reflects the direction being taken by many licensing bodies and the Board is of the opinion that it is a positive change which will enhance consumer protection.

Advertising must be submitted to the Board prior to its release to the public and increasingly, problems are being encountered in the degree to which funeral/transfer services and cemetery services overlap. The Board is striving to ensure equity in enforcement between the cemetery regulators and the Board.

Between meetings of the full Board, the Executive Committee ensures the continuation of the day to day affairs of the Board and I wish to thank the other members, Alex Munroe and Stewart Smith for their contribution.

The public members and funeral directors comprising the Board along with a very conscientious and dedicated staff have ensured the best provision of funeral and transfer services possible in the province of Ontario and I am most privileged to have served as your Chairman.

REPORT OF THE REGISTRAR

ALISON M. REYNOLDS

The current staff consists of the Registrar, an Executive Secretary, a Secretary, an Administrative Inspector and three Inspectors. The third inspector was added this year in order to increase the frequency of inspections. As a result it is anticipated that establishments will be inspected at least once every two and one half years.

The Board continues to inspect funeral establishments and transfer services in an order based on the following criteria:

- * funeral establishments or transfer services under investigation,
- * funeral establishments or transfer services where management or staff have been the subject of complaints or disciplinary action,
- * funeral establishments or transfer services having the same ownership as those where management or staff have been the subject of complaints or disciplinary action,
- * funeral establishments or transfer services which have been subject of consumer complaints,
- * where information is received informally about an establishment such as financial difficulty,
- * funeral establishments or transfer services under new ownership,
- * new funeral establishments or transfer services,
- * funeral establishments or transfer services not in compliance at the time of the last inspection, and
- * by order of the last inspection date.

Inspections cover the premises, equipment, facilities, books, records and trust accounts pertaining to prepaid services. A thorough system is used so that inspections are conducted in a consistent manner throughout the province.

The inspection of the premises ensures that the requirements of the **Funeral Directors and Establishments Act** are being fulfilled. In addition a random sample of the past funeral files, both those arranged at the time of need and those that were prearranged, are checked for appropriate details. The prepaid files are valued as to principal and accrued interest and bank confirmations are obtained from the institutions where the prepaid trust funds are deposited.

The prepaid files are of special concern. Currently in Ontario funeral directors hold approximately 774 million dollars in trust for approximately 121,300 prepaid contracts. In addition, there are insurance policies covering approximately 2,300 prepaid contracts.

During the 1994-1995 year, 192 routine inspections were conducted. In addition to those, 7 follow-up inspections, 7 inspections of new establishments, 2 inspections of new transfer services and 9 inspections of new preparation rooms were carried out.

For the most part any problems discovered during the inspections were minor in nature and none of the inspections resulted in the funeral director being referred to the Discipline Committee for a hearing.

Inspectors are encouraged to provide education and instruction to licencees. Where licencees are receptive, this is probably one of the most effective ways of ensuring compliance.

While it is important that the Board strive to maintain standards, licencees must realize that if funeral standards in Ontario are to remain high, offering good protection to consumers, it is the licencees themselves who must assume the responsibility for their actions.

During 1995 there was a noticeable increase in the number of inquiries from companies wishing to provide insurance as a vehicle for funding prepaid funerals. The staff expended a great deal of time monitoring the development of contracts to accommodate insurance funded funerals.

Through the Registrar, the Board participated in discussions with a larger group representing health care and emergency response personnel in an effort to develop a policy for dealing with expected deaths in the home. The work of the committee has not been completed.

The Board was notified of the federal government's position on barriers to labour mobility and, through its Licensing Committee, began looking at its position with respect to this initiative.

The Registrar and the Board, at the request of the Ministry of Consumer and Commercial Relations, began a review of the regulations under the **Funeral Directors and Establishments Act** in an effort to reduce the burden on licensees while not diminishing consumer protection.

In house, an assessment of the Board's computer system was commenced. The goal is to ensure a system which provides the maximum in data from the information gathered.

As well, the staff began a review of the facilities required for the Board's physical plant in preparation for the termination of the lease in March of 1996.

The staff continue to diligently carry out the work of the Board and are to be commended for their competence, dedication and efficiency.

REPORT OF THE COMPENSATION COMMITTEE

PEARL DAVIE

During the year 1994-95, the Compensation Fund Committee was composed of:

- Pearl Davie, Chairman *
- Allan Cole (Nov. 94 to Oct. 95)
- Ruth Kaufman *

* Denotes current members

Meetings of the Committee were held at the Board of Funeral Services offices throughout the year, with other consultations as required.

Claims on the Fund were considered on the basis of legislation and established policy and were fewer than in past years.

During the year the Committee undertook a Performance Review of the Trustee, Canada Trust, with the participation of the Auditor, Harris and Wright, in order to ensure the Fund is suitably maintained. It was found the Trustee was performing well in all areas, including stability, return on investments, trustee fees and reportage. Guidelines for future reviews were established.

The balance in the fund at the end of the fiscal year October 31, 1995, stood at 1,335,122.69.

A Procedure Manual for the Compensation Fund Committee was prepared by the Committee.

The Committee continues to administer the Pre-arranged Funeral Services Compensation Fund with great care and concern and feels it continues to provide essential consumer protection.

REPORT OF THE COMPLAINTS COMMITTEE

DR. STEPHEN SPEISMAN

The 1995 Complaints Committee was established as follows:

- Dr. Stephen Speisman - Chairman
- Alex Munroe
- Ted Liddycoat

The Complaints Committee met as necessary to review written complaints received by the Board regarding the conduct or actions of funeral directors.

Twenty-three complaints were received during the past year. Of the complaints, one was withdrawn, one was informally resolved and twelve were placed before the Complaints Committee. In each case the Committee carefully reviewed the letter of complaint, the funeral director's response, notes of the Board's investigator and any other material put before it and gave serious consideration to the entire matter.

Decisions are pending on eight complaints. In these cases the complaints were received in the latter part of the year and will either be heard by the Committee at their next meeting or are still under investigation.

Of the twelve complaints reviewed, two involved overcharging. In both cases, the Committee determined that no complaint was warranted. A third involved overcharging and the lack of a contract. The Committee admonished the funeral director.

Four complaints involved unprofessional behaviour or insensitive treatment on the part of the funeral directors. The allegations included the provision of services that were lower than the accepted standard as well as insensitivity toward clients or others. One case was resolved by an admonition as well as a request from the Complaints Committee that the home develop a policy for training staff. The funeral director has appealed the decision to the Commercial Registration Appeal Tribunal, however, it has not yet been heard. In another, the Complaints Committee decided that the funeral director be admonished, that he send a letter of apology to the client as well as a refund of \$1000.00. In the final two cases, the Committee determined that action against the respective funeral directors was not necessary.

The Committee received one complaint in which the allegation was that the funeral director released cremated remains to the wrong person. The funeral director was admonished.

A complaint was received in which the allegation was that the funeral director forced a family to obtain funding from Social Service. The funeral director was admonished.

A complaint was received in which the client alleged that she was not given sufficient price disclosure and that embalming had been performed without authorization. The Committee determined that there was no basis for the complaint; however, they also offered suggestions to the funeral director for dealing with similar situations in the future.

The Committee referred a complaint to the Discipline Committee for a hearing in which a member of the public was harassed by a funeral director to use his funeral home services for the complainant's deceased mother. The Discipline Committee found the funeral director guilty of professional misconduct.

The Committee referred two further complaints to the Discipline Committee. Neither matter has been heard at this time.

The Board attempts to make the public aware of the complaints process that is set out by the *Funeral Directors and Establishments Act*. This information is given out to the many members of the public who call the Board office throughout the year and through the Board's general information brochure.

The Board's brochure is available, at no charge, and in both French and English, directly from the Board and from the licensed funeral homes and transfer services throughout the province. As well, many public service agencies, self-help groups and schools stock the brochure.

As Chair, I wish to thank the other Committee members and the staff who have worked diligently in the cause of consumer protection.

REPORT OF THE DISCIPLINE COMMITTEE

CHARLES ANDERSON

The Committee Members for 1995 were:

- Charles Anderson - Chairman
- Gordon Monk
- Ruth Kaufman

During 1995, there were two disciplinary hearings concerning professional misconduct charges. A brief summation of each allegation along with findings and penalty in each case will follow:

1. **Mr. William Low** was found guilty of professional misconduct in that he submitted an account before making a contract in accordance with the Regulations; and attempted to collect on a contract without the client's signature.

On June 8, 1995, the Discipline Committee ordered that Mr. Low pay a fine in the amount of \$ 3,000.00 and that on the first day of each month he send copies of all contracts made and embalming reports of the previous month to the Board of Funeral Services for a term of 12 months.

2. **Mr. Paul Steadman** was found guilty of professional misconduct in that he contacted the son of a deceased and gave the impression that he was trying to enter into an agreement (contract) to provide funeral services for the deceased person.

On September 11, 1995, the Discipline Committee ordered Mr. Steadman to pay a fine in the amount of \$ 1,500.00 and gave a recorded reprimand.

This is my second year as Chair of the Discipline Committee. I am pleased to report only two discipline hearings were conducted this year. It is my belief that increased comprehensive inspections, along with ongoing support and guidance from the Inspectors resulted in funeral directors voluntarily complying with the Act and the Regulations. Special thanks to all those members who assisted the Committee in reaching the decisions already reported. I look forward to serving on this Board for the upcoming year.

REPORT OF THE LICENCING COMMITTEE

GORDON A. MONK

The Licencing Committee Members for 1995 were:

- Gordon Monk, Chairperson
- Karen Trace
- Allan Cole

The following is a summary of licences for the year 1995:

Active Licencees	1495
Inactive Licencees	687
Licensed Establishments providing service to the public	535
Licensed Establishments not open to the public	3
Licensed Transfer Services	12

In June 1995, 88 students were successful in passing the Licencing Examination and 7 passed the Re-try exam held in December.

During the 1995 year all in-services students and the funeral directors they were articulated to were interviewed and their progress monitored both by survey and interview. The Licencing Committee is pleased to report that most funeral directors are providing the students with education in all aspects of funeral service. This is evidenced in the significant decrease in failures of the subjective exam.

In April 1995, Professional Development was held at the Toronto Hilton; attendance was approximately 265 funeral directors.

The Apprenticeship Guidelines have been upgraded and expanded to more clearly spell out the teaching requirements by the funeral director. There were concerns expressed by the Practical Examiners that competency could be improved in several areas of embalming. Embalming reports have been developed and will be distributed to the students apprenticing in the 1996-1997 period and the students will be required to produce these for the Practical Examiner at the time of examination.

The Licencing Committee and the Registrar are in discussion with the two colleges, Humber and Boréal, in an effort to explore the possibilities of accreditation by the American Board of Funeral Service Education. If successful this could enhance the portability of licences as the American Board of Funeral Service Education is recognized throughout the U.S.A.

Policies and procedures have been developed to accommodate individuals who have completed a Board approved course in funeral service in another jurisdiction so that they may apprentice in Ontario and try the Licencing Examination. Policies and procedures also have been established for out of province Licencees wishing to try the Ontario Licencing Exam as well as for those individuals whose licence has lapsed and they are seeking to re-activate their licence and return to funeral service.

The Licencing Committee Policy Manual has been updated to reflect policy changes.

The co-operation of the Registrar and Office Staff has been sincerely appreciated by the Committee.

BOARD MEETINGS

The Board of Funeral Services and its Committees met for 29 days in 1995.

PHYSICAL PLANT

The offices of the Board of Funeral Services are located at:

Suite 1609
415 Yonge Street
Toronto, Ontario
M5B 2E7

Telephone: 1-416-979-5450
Toll Free: 1-800-387-4458
Fax Number: 1-416-979-0384

The lease expires on March 31, 1996.

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Year ended October 31, 1995

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HARRIS & WRIGHT

CHARTERED ACCOUNTANTS

TELEPHONE 924-1157

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SUITE 408, 1300 YONGE STREET

TORONTO, ONTARIO

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JOHN R. MAYHUE, B.COMM., C.A.

SAM MARINUCCI, M.B.A., C.A.

NORMAN S. WRIGHT, C.A. - RETIRED

Auditors' Report to the Directors of the Board of Funeral Services

We have audited the balance sheet of the Board of Funeral Services as at October 31, 1995 and the statements of income and expense, surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly in all material respects the financial position of the Board as at October 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Toronto, December 5, 1995


Chartered Accountants

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Balance Sheet
October 31, 1995

Comparative
1994

ASSETS

Current assets:

Cash and bank	\$ 169,367	\$143,963
Certificates of deposit	1,072,241	585,581
Accounts receivable	37,571	24,600
Prepaid expense	<u>6,078</u>	<u>8,492</u>

	<u>\$1,285,257</u>	<u>\$762,636</u>
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Cash held in Trust

	<u>\$ 860</u>
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Fixed assets at cost:

Office furniture and equipment	\$ 118,310	\$114,182
Leasehold alterations	<u>21,406</u>	<u>21,406</u>

	139,716	135,588
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Less - accumulated depreciation	<u>92,163</u>	<u>76,976</u>
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	<u>47,553</u>	<u>58,612</u>
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	<u>\$1,332,810</u>	<u>\$822,108</u>
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LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	\$ 38,727	\$ 61,098
Deferred licence fee revenue	184,897	181,530
Payroll and sales taxes payable	<u>5</u>	<u>11</u>

	\$ 223,629	\$242,639
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Trust reserves - Cash held in trust

860

Reserve for future disciplinary costs (Note 4)

150,000

Surplus

	<u>1,109,181</u>	<u>428,609</u>
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	<u>\$1,332,810</u>	<u>\$822,108</u>
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Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Statement of Income and Expense
Year ended October 31, 1995

		Comparative <u>1994</u>
Income:		
Funeral Directors' licence fees	\$ 326,795	\$ 326,430
Funeral Establishments' licence fees	767,774	747,725
Transfer service licence fees	8,610	12,470
Student registration fees	6,650	5,750
Student examination fees	14,550	15,950
Professional development	45,574	43,556
Interest on investments	88,182	38,298
Expense recoveries - compensation fund	3,000	6,000
Sale of Directories and Acts	6,544	3,207
Reimbursement - M.C.C.R.	<u>6,405</u>	<u>8,582</u>
	<u>\$1,274,084</u>	<u>\$1,207,968</u>
Expense:		
Board	\$ 51,308	\$ 67,718
Committee	99,238	170,264
Salaries and benefits	335,289	333,118
General office	196,708	209,446
Inspection	<u>60,969</u>	<u>54,833</u>
	<u>\$ 743,512</u>	<u>\$ 835,379</u>
Net income for year	<u>\$ 530,572</u>	<u>\$ 372,589</u>

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Statement of Surplus
Year ended October 31, 1995

		Comparative <u>1994</u>
Balance beginning of year	\$ 428,609	\$ 56,020
Net income for year	530,572	372,589
Appropriation of surplus for future disciplinary costs (Note 4)	<u>150,000</u>	
Balance end of year	<u>\$1,109,181</u>	<u>\$428,609</u>

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Statement of Changes in Financial Position
Year ended October 31, 1995

		Comparative <u>1994</u>
Cash provided by operations:		
Net income for year	\$ 530,572	\$372,589
Items not affecting working capital:		
Depreciation	<u>15,185</u>	<u>14,127</u>
Working capital from operations	545,757	386,716
Net change in non-cash working capital	<u>(29,568)</u>	<u>(14,951)</u>
Cash provided from operations	516,189	371,765
Cash invested:		
Fixed asset (additions) disposals - net	<u>(4,125)</u>	<u>(10,705)</u>
Increase in cash	512,064	361,060
Cash at beginning of year	<u>729,544</u>	<u>368,484</u>
Cash at end of year	<u>\$1,241,608</u>	<u>\$729,544</u>
Cash at end of year represented by:		
Cash	\$ 169,367	\$143,963
Certificates of deposit	<u>1,072,241</u>	<u>585,581</u>
	<u>\$1,241,608</u>	<u>\$729,544</u>
Net change in non-cash working capital:		
Increase (decrease) in:		
Current assets:		
Accounts receivable	\$ 12,971	\$ 12,214
Prepaid expense	<u>(2,414)</u>	<u>(3,206)</u>
	<u>10,557</u>	<u>9,008</u>
Current liabilities:		
Accounts payable and accrued liabilities	(22,371)	1,110
Deferred licence fee revenue	3,367	(95)
Payroll and sales taxes payable	<u>(7)</u>	<u>(6,958)</u>
	<u>19,011</u>	<u>(5,943)</u>
Net increase in non-cash working capital	<u>\$ 29,568</u>	<u>\$ 14,951</u>

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Schedule of Expense
Year ended October 31, 1995

		Comparative <u>1994</u>
Board expense:		
Professional member	\$ 5,740	\$ 11,944
Public member	1,258	2,341
Professional member per diem	11,443	17,915
Public member per diem	3,666	6,100
Insurance - Directors' liability	4,172	4,150
Insurance - Accidental death	2,250	2,274
Legal - General	15,468	12,830
Meeting expense	1,896	10,164
Publications	<u>5,415</u>	
	<u>\$ 51,308</u>	<u>\$ 67,718</u>
Committee expense:		
Complaints	\$ 2,115	\$ 129
Complaints - legal	3,543	3,605
Compensation Fund		86
Discipline	1,477	1,402
Discipline - Legal	4,727	20,745
Discipline - Legal Prosecution	31,471	95,957
Discipline - C.R.A.T.	3,214	75
Licencing	8,638	5,710
Licencing - Conferences	618	1,561
Licencing - Examinations	8,472	6,469
Licencing - Professional Development	<u>34,963</u>	<u>34,525</u>
	<u>\$ 99,238</u>	<u>\$170,264</u>
Salaries and benefits:		
Salaries - Full time	\$281,677	\$272,534
Salaries - Temporary	596	591
Employee pension	6,904	7,775
Canada pension plan expense	6,740	6,200
Unemployment insurance	10,372	10,156
Employer Health Tax	4,528	4,977
Health insurance	10,183	11,745
Personnel recruitment	2,607	
Parking	4,921	5,705
Staff training	2,016	4,570
Pay equity consultant	<u>4,745</u>	<u>8,865</u>
	<u>\$335,289</u>	<u>\$333,118</u>

Schedule "A"

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Schedule of Expense
Year ended October 31, 1995

		Comparative <u>1994</u>
General Office:		
Audit	\$ 14,757	\$ 13,046
Bank charges	871	1,486
Computer - equipment and supplies	2,360	351
Computer - consulting	5,357	10,105
Conferences	238	
Depreciation	15,185	14,127
Directory	8,672	8,732
Education - universal precaution guidelines		13,673
Equipment - leasing	7,940	6,127
Insurance	980	657
Maintenance		928
Membership	903	1,152
Newsletter	4,632	2,224
Postage	18,487	14,637
Printing, stationery and supplies	20,064	13,497
Registrar expense	8,930	6,228
Rent	66,989	79,846
Sundry office	72	48
Telephone	20,271	22,475
Translation expense		<u>107</u>
	<u>\$196,708</u>	<u>\$209,446</u>
Inspection expense:		
Car - leasing	\$ 22,100	\$ 15,358
Car - gas and repairs	9,128	8,228
Car - insurance	4,179	3,070
Inspectors' expense	24,668	16,777
Investigation expense	<u>894</u>	<u>11,400</u>
	<u>\$ 60,969</u>	<u>\$ 54,833</u>

Board of Funeral Services
Statement of Income and Expense - By Division
Year ended October 31, 1995

Schedule "B"

	Enforcement	Education	Licencing	Administration	Total
Income:					
Funeral Director fees	\$114,378	\$ 81,699	\$ 49,019	\$ 81,699	\$ 326,795
Establishment fees	268,721	191,943	115,166	191,943	767,773
Transfer Service fees	3,014	2,153	1,292	2,153	8,612
Duplicate certificates				310	
Interest on investments	30,864	22,045	13,227	22,045	88,181
Student Registration fees			6,650		6,650
Examinations			14,550		14,550
Professional development		45,574			45,574
Sale of directories	903	645	387	645	2,580
Per diem reimbursement MCCR	1,540	1,100	660	1,100	4,400
Expense reimbursement MCCR	701	501	301	501	2,004
Compensation fund admin.fee	1,050	750	450	750	3,000
Other income	1,279	914	548	914	3,655
	<u>\$422,450</u>	<u>\$347,324</u>	<u>\$202,560</u>	<u>\$301,750</u>	<u>\$1,274,084</u>
Expense:					
Salaries, benefits and compensation:					
Professional member per diem	\$ 5,169	\$ 3,692	\$ 2,215	\$ 3,692	\$ 14,768
Public member per diem	1,713	1,223	734	1,223	4,893
Salaries - full time	98,587	70,419	42,252	70,419	281,677
Salaries - part-time	209	149	89	149	596
Pay equity consultant	1,661	1,186	712	1,186	4,745
Employee pension	2,416	1,726	1,036	1,726	6,904
Canada pension plan	2,359	1,685	1,011	1,685	6,740
Unemployment insurance	3,630	2,593	1,556	2,593	10,372
Employer health tax	1,585	1,132	679	1,132	4,528
Health insurance	3,564	2,546	1,527	2,546	10,183
Staff training		2,016			2,016
Insurance - Director's liability	1,460	1,043	626	1,043	4,172
Insurance - Accidental death	788	563	338	561	2,250
	<u>\$123,141</u>	<u>\$ 89,973</u>	<u>\$ 52,775</u>	<u>\$ 87,955</u>	<u>\$ 353,844</u>
Transportation and communication:					
Postage	\$ 6,470	\$ 4,622	\$ 2,773	\$ 4,622	\$ 18,487
Telephone	10,087	4,610	2,076	3,498	20,271
Car - leasing	17,680	4,420			22,100
Car - insurance	1,819	1,005	508	847	4,179
Car - gas and repairs	7,302	1,826			9,128
Parking	1,723	1,230	738	1,230	4,921
Registrar's expense	3,126	2,232	1,340	2,232	8,930
Inspectors' expense	19,734	4,934			24,668
Professional member expense	2,874	2,085	5,446	1,175	11,580
Public member expense	566	405	243	405	1,619
Conferences			618	238	856
Professional development		34,963			34,963
Memberships	316	226	135	226	903
Miscellaneous	25	18	11	18	72
	<u>\$ 71,722</u>	<u>\$ 62,576</u>	<u>\$ 13,888</u>	<u>\$ 14,491</u>	<u>\$ 162,677</u>

Board of Funeral ServicesStatement of Income and Expense - By Division
Year ended October 31, 1995

	<u>Enforcement</u>	<u>Education</u>	<u>Licencing</u>	<u>Administration</u>	<u>Total</u>
Services:					
Legal - General	\$ 13,449	\$ 721	\$ 577	\$ 721	\$ 15,468
Legal - Complaints	3,543				3,543
Legal - Discipline	4,727				4,727
Legal - Prosecution	31,471				31,471
Legal - C.R.A.T.	3,214				3,214
Legal - Discipline committee	1,477				1,417
Audit	5,165	3,689	2,214	3,689	14,757
Personnel recruitment	912	652	391	652	2,607
Office insurance	343	245	147	245	980
Investigation	500			394	894
Public relations	1,895	1,354	812	1,354	5,415
Computer - consulting	1,875	1,339	804	1,339	5,357
Examinations			8,472	8,472	
Bank charges	304	218	130	219	871
	<u>\$ 68,875</u>	<u>\$ 8,218</u>	<u>\$ 13,547</u>	<u>\$ 8,613</u>	<u>\$ 99,253</u>
Supplies and equipment:					
Computer	\$ 826	\$ 590	\$ 354	\$ 590	\$ 2,360
Equipment leasing	2,778	1,985	1,192	1,985	7,940
Printing, stationery and supplies	7,022	5,016	3,010	5,016	20,064
Newsletter	1,621	1,158	695	1,158	4,632
Directory	3,035	2,168	1,301	2,168	8,672
Meeting expense	664	474	284	474	1,896
Rent	23,446	16,747	10,048	16,748	66,989
Depreciation	5,315	3,796	2,278	3,796	15,185
	<u>\$ 44,707</u>	<u>\$ 31,934</u>	<u>\$ 19,162</u>	<u>\$ 31,935</u>	<u>\$127,738</u>
Total	<u>\$308,445</u>	<u>\$192,701</u>	<u>\$ 99,372</u>	<u>\$142,994</u>	<u>\$743,512</u>
Net income for year	<u>\$114,005</u>	<u>\$154,623</u>	<u>\$103,188</u>	<u>\$158,756</u>	<u>\$530,572</u>

Board of Funeral Services
(Under the Funeral Directors and Establishments Act.)

Notes to Financial Statements
Year ended October 31, 1995

1. Accounting policy:

Depreciation:

Depreciation on furniture and equipment is provided on the straight line basis using a 10% annual rate. Leasehold alterations are being written off over the remaining term of the lease.

2. Lease commitments:

The Board rents office equipment under a longterm operating lease which expires March 1, 1998. Office space is leased under a long term agreement which expires March 31, 1996. Autos are leased for the inspectors and the expiry dates of the leases are April 1997 and August 1997. Future minimum rental payments under the leases with initial or remaining terms of one year or more consisted of the following at October 31, 1995:

1996	\$41,333
1997	16,008
Thereafter	<u>1,584</u>
Total minimum lease payments	<u>\$58,925</u>

3. The Compensation Fund Committee manages the affairs of the Prepaid Funeral Services Compensation Fund which was established under the Funeral Directors and Establishments Act, 1989.
4. Appropriation of surplus:
In its 1993 fiscal year, in recognition of some uncertainty concerning unanticipated legal and hearing costs for the disciplinary process, the Board appropriated from surplus \$150,000 to offset such possible future expenditures. During the course of its current fiscal year, the Board returned the appropriation to surplus.
5. Comparative figures for the previous year have been adjusted to conform with the current year's presentation.
6. There are no comparative figures available for the Board's new presentation of the statement of income and expense by division as prior years data is not available in this form.

Prearranged Funeral Services Compensation Fund
(Under the Funeral Directors & Establishments Act. 1989)

Year ended October 31, 1995

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JOHN R. MAYHUE, B.COMM., C.A.
SAM MARINUCCI, M.B.A., C.A.
NORMAN S. WRIGHT, C.A. - RETIRED

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Auditors' Report to the Members of the
Compensation Fund Committee of the Prearranged
Funeral Services Compensation Fund

We have audited the balance sheet of the Prearranged Funeral Services Compensation Fund as at October 31, 1995 and the statements of income and expense and surplus for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly in all material respects the financial position of the Fund as at October 31, 1995 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Toronto, December 5, 1995


Chartered Accountants

Perranged Funeral Services Compensation Fund
(Under the Funeral Directors & Establishment Act, 1989)

Balance Sheet
October 31, 1995

		Comparative <u>1994</u>
<u>ASSETS</u>		
Current assets:		
Cash:		
Toronto Dominion Bank	\$ 5,003	\$ 5,168
Canada Trust	3,712	1,926
Interest receivable	16,822	16,471
Sundry		<u>150</u>
	\$ 25,537	\$ 23,715
Investments - at cost (Note 4)		
(market value \$1,335,123)	<u>1,293,034</u>	<u>1,283,169</u>
	<u>\$1,318,571</u>	<u>\$1,306,884</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accrued compensation payments		\$ 71,837
Accrued trust administration fee	\$ 364	1,346
Accrued administration costs	6,000	3,000
Accrued audit fee	2,500	2,000
Sales tax and sundry	<u>398</u>	<u>308</u>
	\$ 9,262	\$ 78,491
Surplus	<u>1,309,309</u>	<u>1,225,393</u>
	<u>\$1,318,571</u>	<u>\$1,303,884</u>

Prearranged Funeral Services Compensation Fund
(Under the Funeral Directors & Establishments Act. 1989)

Statement of Income and Expense
Year ended October 31, 1995

		Comparative <u>1994</u>
Income:		
Levies and initial payments	\$ 4,680	\$263,368
Investment income	101,650	94,277
Sundry	<u>11</u>	<u>1,100</u>
	<u>\$106,341</u>	<u>\$358,745</u>
Expense:		
Administration costs	\$ 3,000	\$ 6,000
Prearranged funds compensated	7,080	8,515
Professional fees	3,421	3,618
Service charges		1
Trust administration fees	8,924	8,836
Sundry		<u>37</u>
	<u>\$ 22,425</u>	<u>\$ 27,007</u>
Excess of income over expense	<u>\$ 83,916</u>	<u>\$331,738</u>

Prearranged Funeral Services Compensation Fund
(Under the Funeral Directors & Establishments Act. 1989)

Statement of Surplus
Year ended October 31, 1995

		Comparative <u>1994</u>
Balance beginning of year	\$1,225,393	\$331,738
Excess of income over expense	<u>83,916</u>	<u>893,655</u>
Balance end of year	<u>\$1,309,309</u>	<u>\$1,225,393</u>

Prearranged Funeral Services Compensation Fund
(Under the Funeral Directors & Establishments Act, 1989)

Notes to the Financial Statements
Year ended October 31, 1995

1. Significant accounting policies:

The Compensation Fund follows accounting principles generally accepted in Canada in preparing its financial statements.

2. The Compensation Fund was established November 1, 1990 under the Funeral Directors & Establishment Act, 1989 (Ontario) to compensate misappropriated prearranged funeral services deposits. The affairs of the Fund are managed by the Compensation Fund Committee whose members are appointed by the Board of Funeral Services. All monies received from participants and all income on any such money is held in trust for the benefit of such of the holders of claims as The Committee may in its discretion approve. Fees shall be levied to bring the Fund up to \$1,000,000 and if in future the book value of the Fund falls below or is anticipated to fall below \$500,000 additional contributions shall be levied to replenish the Fund. The Fund reached the limit during the 1994 fiscal year.

3. Statement of changes in financial position:

A statement of changes in financial position has not been prepared since it would not provide additional information to the reader of the financial statements.

4. Foreign currency translation:

Non-monetary assets denominated in foreign currency have been translated at exchange rates in effect at the time of their purchases. Realized exchange gains and losses have been included in the determination of income.

Prearranged Funeral Services Compensation Fund
(Under the Funeral Directors & Establishments Act, 1989)

Notes to the Financial Statements
Year ended October 31, 1995

Comparative
1994

5. Investments - at cost:

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity Date</u>		
B.C.E. Inc.	8.500	01/31/04	\$ 50,063	\$ 50,063
C.I.B.C.	7.100	03/10/04	97,000	97,000
Government of Canada Bond - A56	6.250	02/01/98	71,175	71,175
Government of Canada Bond - A57	7.250	06/01/03	28,725	28,725
Government of Canada Bond - A70	5.750	03/01/99	74,237	74,237
Municipal Finance Authority of B.C.	7.800	01/12/03	30,000	30,000
Ontario Hydro - DH9	9.625	08/03/99	25,000	25,000
Ontario Hydro Electric	10.250	04/04/09	24,837	24,837
Ontario Hydro Global	9.000	04/16/02	73,725	73,725
Province of Alberta - CK	6.000	03/01/99	98,690	98,690
Province of Alberta - CI	7.750	02/04/98	24,850	24,850
Province of Alberta - CN	8.000	03/01/00	39,396	
Province of British Columbia - BCCG-1	7.750	06/16/03	48,700	48,700
Province of British Columbia	9.500	01/09/12	49,700	49,700
Province of Ontario Savings Corp.	7.500	01/28/95		20,000
Province of Ontario Savings Corp.	7.750	01/28/96	20,000	20,000
Province of Ontario - G.I.C.	9.000	10/11/95		30,000
Province of Ontario - G.I.C.	9.250	10/18/96	30,000	30,000
Province of Ontario - Global issue (Cdn. Funds)	5.700	10/01/97	100,946	
Province of Saskatchewan	8.125	02/07/97	24,938	24,938
Province of Saskatchewan - H.B.	8.750	06/01/01	75,675	75,675
T.D. Bank	8.000	12/15/03	24,905	24,905
Common Trust Fund - Equities 4139.048 units (5412.24 units - 1994)			95,743	125,163
Common Trust Fund - Foreign equity 3785.086 units (3378.888 units - 1994)			48,029	42,786
Common Trust Fund - Money Market Fund 13670.000 units (19300.000 units - 1994)			<u>136,700</u>	<u>193,000</u>
			<u>\$1,293,034</u>	<u>\$1,283,169</u>

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